

Settlements and Judgments Fund

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$23,450,000	\$22,822,000	-2.7

The mission of the Settlements and Judgments Fund is to provide the fiscal resources to settle claims and lawsuits and pay judgments in all types of tort cases entered against the District of Columbia.

The Office of the Corporation Counsel, in conjunction with the Risk Manager in the Office of the City Administrator, strives to reduce the District's overall level of risk by reducing the District's exposure to adverse situations.

The Settlements and Judgments Fund was created out of a need to address increased litigation against the District government over the last 25 years. The Fund has been part of the District's annual appropriation for many years.

The Settlements and Judgments Fund has been administered by the General Litigation Division located in the Office of the Corporation Counsel because most claims and lawsuits paid out of the fund are handled by this part of the office. Although the fund is the responsibility of the Corporation Counsel, which makes all final decisions about the use of placement of the fund in the agency, the fund is distinct and separate from the Corporation Counsel's operating budget.

The Office of the Corporation Counsel generally assesses the potential exposure to the District government in cases and claims paid through the Settlements and Judgments Fund by reviewing the facts and the applicable law pertinent to the cases. Often other factors are consid-

ered, including the degree of injury to the plaintiff and policy considerations. A recommendation to settle or litigate a case originates with the Assistant Corporation Counsel assigned to the case. Depending on the amount of settlement authority requested, the determination is then reviewed by several supervisors within the Office of the Corporation Counsel. The Corporation Counsel's authority to settle a case is limited to \$500,000; for amounts greater than \$500,000, the settlement decision rests with the Mayor.

The agency plans to fulfill its mission by achieving the following strategic results goals:

- Institute a risk management program for all District executive branch agencies.
- Empower the risk manager, appointed by the Mayor, to oversee these efforts and to coordinate risk management throughout the District from the perspective of prevention and claims investigation.
- Continue the Early Settlement Program implemented in FY 2000 and based in the General Litigation Division located in the Office of the Corporation Counsel. The program identifies both claims and lawsuits (based on established criteria for early resolution).

Where the Money Comes From

Table ZH0-1 shows the source of funding for the Settlements and Judgments Fund.

Table ZH0-1

FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Local	68,166	25,881	23,450	22,822	-628
Gross Funds	68,166	25,881	23,450	22,822	-628

How the Money is Allocated

Table ZH0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table ZH0-2

FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Other Services and Charges	26,924	25,881	23,450	22,822	-628
Contractual Services - Other	41,242	0	0	0	0
<i>Non-personal Services</i>	<i>68,166</i>	<i>25,881</i>	<i>23,450</i>	<i>22,822</i>	<i>-628</i>
Total Proposed Operating Budget	68,166	25,881	23,450	22,822	-628

Local Funds

The proposed Local budget is \$22,822,000, a decrease of \$628,000 or 2.7 percent from the FY 2002 approved budget of \$23,450,000. Settlements and Judgments receives 100 percent of its funding from Local sources.

No FTEs are funded by Local sources, which represents no change from FY 2002.

Significant changes are:

- A decrease of \$500,000 in other services which is being transferred to the Metropolitan Police Department (MPD) to fund a contract between the MPD and the Department of Justice for an independent monitor. This proactive measure is intended to reduce the liability of the District due to claims over the use of excessive force against the MPD.

- A decrease of \$128,000 in other services which is being transferred to the Office of Personnel to fund a contract for independent legal investigators for risk management due to ADA and sexual harassment claims. This proactive measure will reduce the liability of the District.

Programs

The Office of the Corporation Counsel anticipates approximately 1,620 new lawsuits in FY 2003, the same number the District has handled in the previous two years. Not all of these lawsuits will be tort cases paid from Settlements and Judgments. Likewise, the Corporation Counsel anticipates approximately 2,500 claims to be filed in FY 2003, similar to the previous two years.